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In the general discussion from the floor emphasis was placed upon the importance of the time series in the control of business. In this manner the general trend of a business can be shown and especially the condition of the industry prevailing in time of depression. Few classes of industry fall more than 70 per cent below the normal. In a summary of the results of the discussion it was pointed out that faith in research is quite as important as imagination and technical equipment. Business must be willing to spend money for research whether the results be negative or positive. Statistical and economic prospecting is coming to be a very necessary function of a business organization.

R. E. CHADDOCK

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#### FIRST FEDERAL CONFERENCE ON BUSINESS CONDITIONS REPORTING

On February 21-22 there was held under the auspices of the Division of Analysis and Research of the Federal Reserve Board, the first Federal Conference on Business Conditions Reporting, at the Hotel Washington, Washington, D. C.

The work of the conference was divided into two parts. On the first day representatives of each of the departments of the Federal Reserve Agents were present and various problems relating to the scope of the monthly review on business conditions which each Federal Reserve Bank prepares were discussed, as well as the experience of the banks with different methods of obtaining information presented in these reviews. The interchange of views which occurred resulted in making available to each bank the experiences of every other bank in connection with specific points which confront it, as well as indicating new lines of work that are being pursued in other banks and the results and difficulties in connection with such new lines of endeavor. Agreement was reached on some leading questions in connection with the preparation of the reviews, and a committee was appointed to carry on the work commenced at the conference.

On the second day there were also in attendance a number of leading business statisticians and men in academic circles interested in this type of work. It seemed desirable to obtain the opinions of "consumers" of data of this kind as to just what type of material was desirable and in what manner such material should be presented. To this end there were papers read, among others, by Professor M. T. Copeland, of Harvard University, on "The Importance of Securing Reliable Statistics on Business Conditions"; by Mr. Robert M. Falkenau, foreign trade representative of the Irving National Bank of New York, on "The Value of Work on Business Conditions to the Economic Advisers of Banks"; by Mr. F. Leslie Hayford, statistician of the General Motors Corporation, on the "Following of Business Conditions by the Corporation"; and by Mr. Carl Snyder, manager of the Statistics Department of the Federal Reserve Bank of New York, on "Interpretation of Reports on Business Conditions." General discussion was led by Professor Edmund E. Day of Harvard University. At the afternoon session it was planned to consider the actual methods employed in the preparation of certain statistical data relative to business conditions, in particular indicating the methods employed and the problems experienced by some of the Federal Reserve Banks. By thus indicating the work of the Federal Reserve System a better understanding of its efforts would be obtained, and even more complete coöperation than heretofore would be secured from the business community. The Honorable W. P. G. Harding, governor of the Federal Reserve Board, first addressed the conference on the subject of "Business and Banking," emphasizing the value of data on business conditions to the banking and the business community. The statistics on

business activity assembled by the Division of Analysis and Research were then described by Dr. H. Parker Willis, director of the Division, and the banking statistics of the Federal Reserve Board by Mr. M. L. Jacobson, statistician. Mr. R. A. Cheney, secretary of the Association of Knit Goods Manufacturers, described the statistical work which the Association undertook some time ago and spoke of the interest which the industry took in these figures of production, shipments, etc. Mr. Henry Breck, assistant Federal Reserve Agent of San Francisco, then described the methods employed by his bank in preparing its monthly reports on wholesale and retail trade, and Mr. G. B. Roberts of the Federal Reserve Bank of New York described the preparation of the reports on financial conditions issued by his bank. Mr. W. H. Steiner, assistant director of the Division of Analysis and Research, reviewed the work of the Division and the special studies in Banking and Credit.

Following the presentation of the formal papers at both the morning and afternoon sessions on the second day, there was general discussion which developed many points of interest. It was generally felt that the Federal Reserve Board was in an excellent position to obtain information relative to business activity, and that the work which it had thus far undertaken should be actively prosecuted and expanded in the future.

W. H. STEINER

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#### MISCELLANEOUS NOTES

**Index of Retail Food Prices.** The Bureau of Labor Statistics of the United States Department of Labor announces that hereafter its index to retail food prices will be based upon 43 articles of food and weighted according to the quantity of each article consumed by the average workman's family, as shown by the 9,000 budgets secured in 1918, instead of being computed as heretofore on the average family market basket, based upon a study made in 1901.

Since January, 1919, the Bureau has been securing retail prices upon the 43 articles of food to which its new weighting system is applied. These figures are secured on the 15th of each month from retail dealers in 51 of the most important cities. Until January, 1921, however, only 22 of the articles could be used in the cost of living index because there was no available information as to the average family consumption of the remaining articles. The family budget investigation of 1901-02 did not give the food expenditures in sufficient detail to justify a weighting upon more than the 22 articles (therefore the other articles had to be combined and used as "all others"). In the family budget investigation of 1918 a more detailed distribution of food expenditures was sought, and this gives an annual consumption per family, which can be used as food weights, on a much broader basis. Beginning with the March issue of the *Monthly Labor Review*, in which the January prices will be published, the figures will be based on the 43 articles of food. It must be understood that these new figures merely give a more detailed distribution of the total food costs. It is interesting to note that in the adjustment of the 43 articles of food to those already used by the Bureau for the 22 articles, the variation in the index number was but four-tenths of one per cent.

**Index of Wages.** The Bureau of Labor Statistics of the United States Department of Labor has made public a general index of wages per hour from 1840 to 1920 based upon hourly wages in 1913 as 100. It is fully realized that the material for computing such an index is disconnected and far from complete. For many years there has been hesitation as to the propriety of announcing an index of this character, but the importance of having a general wage index that might be used for comparison